



CITY OF ATLANTA

SHIRLEY FRANKLIN
MAYOR

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November 22, 2005

President Lisa Borders and
Members of the Atlanta City Council
55 Trinity Avenue, SW
City Hall – 2nd Floor
Atlanta, GA 30303

Dear President Borders and Members of Council:

Although I have previously sent you an official "budget letter" for our next cycle, I am forwarding additional information outlining my basic approach to improving employee compensation and other pertinent budget matters.

The City of Atlanta is charged with the responsibility of providing quality services to our City residents, businesses and visitors. We follow solid business principals and we are proudly delivering on this responsibility twenty four hours per day. It is the Atlanta government work force that makes this responsibility a reality. Atlanta City employees are hardworking and dedicated to serving the public every day. It is our intention to have fair wages for the work that our employees perform. Consequently, I am hereby submitting my Administration's philosophy and priorities for the Budget which follows the theme of fairness for our employees while maintaining a balanced taxing approach for our taxpayers.

Court Mandates

In order to provide services as required by various court officials we have included funds to complete these mandates.

Increasing our reserves from 5% to 6%

As we continue our quest for fiscal stability, it is important to increase the reserves to a more acceptable amount of 7.5%. In the proposed Budget however, we are asking for the reserves to be increased by an increment of only 1%. This increase will provide for a total of 6% in reserves for the next Budget cycle.

Cost of Living Adjustment (COLA)

As with the previous budget we have associated a COLA to 75% of the Consumer Price Index (CPI = 2.9%). The proposed COLA for all employees is 2.2%.

Additional Sworn Police Officers

It is imperative that the City of Atlanta continue to fulfill our promise to increase the number of sworn Police officers protecting the citizenry. We are proposing twenty-five (25) new sworn police positions for this Budget.

Additionally, we are proposing to add forty (40) civilian positions that will release forty (40) sworn officers to commence regular policing activities. These new positions will place a total of sixty five additional officers in the field.

Increased pay for Police Officers

Moving forward with our promise to improve police officer compensation, we propose an increase of one and one half percent (1.5%). This 1.5% increase is in addition to the proposed 2.2% COLA for all employees.

Additional Fire Fighters

The Department of Fire/Rescue is constantly engaged in the struggle to keep the City protected from fires while also serving as first responders during medical emergencies. Although Atlanta has a great record of providing these services we are committed to enhancing our delivery. Therefore, we propose to create a total of sixty (60) new sworn fire fighter positions.

Increased pay for Fire Fighters

Moving forward with our promise to improve fire fighter compensation, we propose an increase of one percent (1%). This 1% increase is in addition to the proposed 2.2% COLA for all employees.

Correcting of pay grades (Police & Fire)

We want to correct the pay grades for sworn police officers and sworn fire fighters. We corrected the grades for general employees via the AON Compensation Review in 2005. The steps in the pay grades will be a 3.5 % progression.

Pay for Performance

In order to encourage employees to strive for excellence every day, we have in place a program entitled pay for performance. Under this program employees are evaluated and where their performance is deemed to be excellent, additional compensation will be awarded in an amount up to \$2,000.00. We have incorporated additional funds into the budget to continue this initiative.

Employee Development

We propose several employee development programs. One program will improve strategic planning and leadership skills for our current executives. A second program will improve the job skills of non executive level employees.

Economic Development

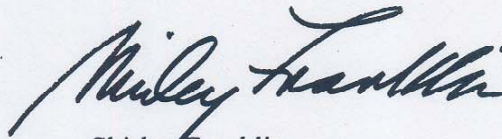
In order for our city to grow more equitably in all quadrants, it is incumbent on City government to provide the framework and funds to make this a reality rather than a plan. We have proposed that one percent (1%) of the budget be dedicated to this purpose.

The City of Atlanta has moved from an operating deficit in 2001 (operating in the red) to a budget surplus for the last three (3) years. Much of our success can be attributed to our reliance on sound business principals and the rigor and discipline we have used to apply these principals.

Additionally, we have seen a dramatic shift from no pay raises and furloughs in 2002 to pay increments in 2003, to 4% pay increase in 2004, to a COLA of 75% of the Consumer Price Index in 2005 and 2006. Clearly we are making great strides to improve our financial stability and to help improve the compensation for our employees.

Thanking you in advance as we continue on this journey to make Atlanta the best in class city for employees and taxpayers.

Sincerely,

A handwritten signature in black ink, appearing to read "Shirley Franklin". The signature is fluid and cursive, with the first name "Shirley" written in a larger, more prominent script than the last name "Franklin".

Shirley Franklin